

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

HNG Oil Company

3. ADDRESS OF OPERATOR

P.O. Box 2267, Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

853' FSL and 1787' FEL Sec. 8

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

7.5 miles west from Jal

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

853'

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1287'

16. NO. OF ACRES IN LEASE

640

19. PROPOSED DEPTH

3600'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

2965' GR

22. APPROX. DATE WORK WILL START*

5-10-79

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	36#	800'	600 sacks
8-3/4"	7"	20#	3600'	1000 sacks

Pressure Control Program:

A double blow-out preventor and rotating head w/a choke manifold will be installed at the 9-5/8" casing setting point. The drill string will be equipped with a safety valve. All equipment will be tested to 3000 lbs. after installation.

RECEIVED

JAN 25 1979

U. S. GEOLOGICAL SURVEY
HOBBS, NEW MEXICO

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNATURE

Betty A. Gildon

Betty A. Gildon

TITLE

Regulatory Clerk

DATE

1-9-79

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
AS AMENDED
DATEFEB 16 1979
James F. Sims
JAMES F. SIMS
DISTRICT ENGINEER

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

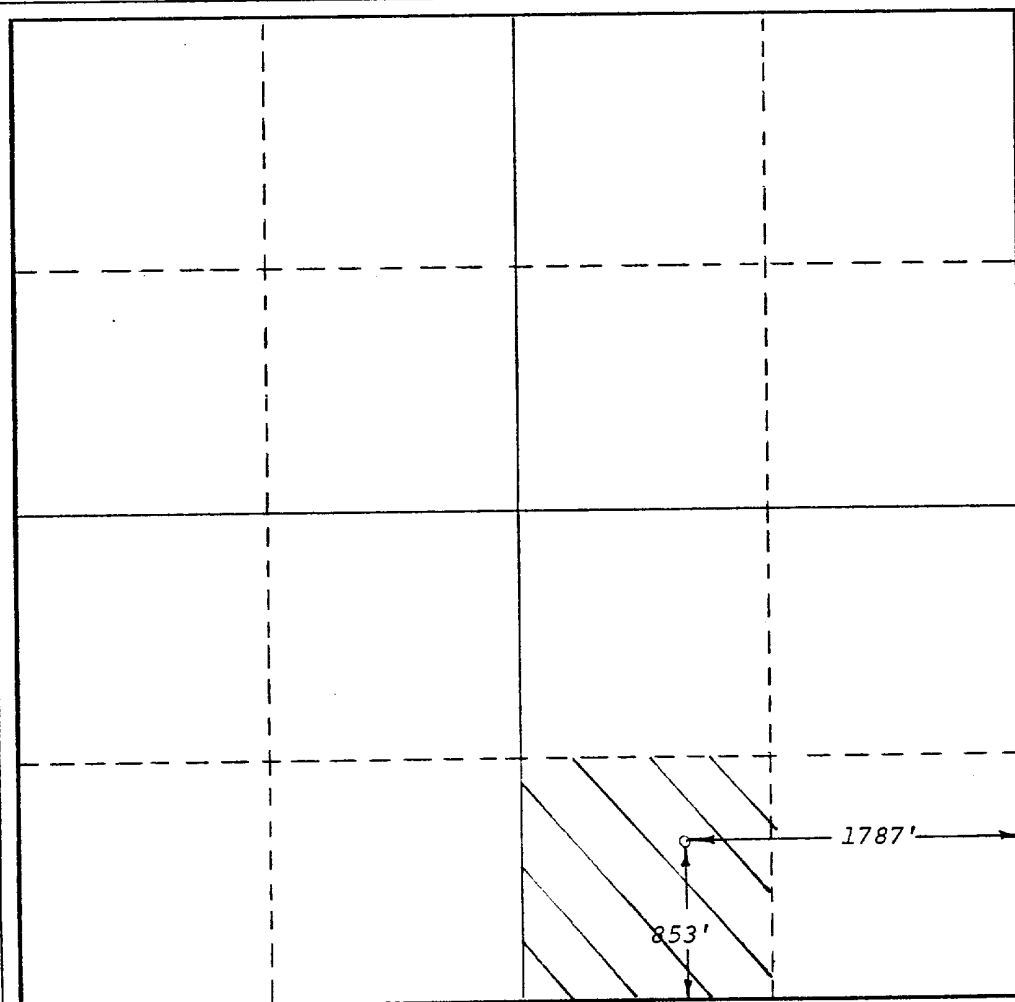
Operator H.N.G. OIL COMPANY			Lease Wilson Federal 8		Well No. 7
Unit Letter 0	Section 8	Township 26-S	Range 36-E	County Lea County, New Mexico	
Actual Footage Location of Well: 853 feet from the South line and 1787 feet from the East line					
Ground Level Elev: 2965'	Producing Formation Comanche Stateline		Pool Yates UNDERSHATED	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Betty A. Gildon

Name

Betty A. Gildon

Position

Regulatory Clerk

Company

HNG Oil Company

Date

January 4, 1979

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

December 11, 1978

Date Surveyed

Gary D. Boswell

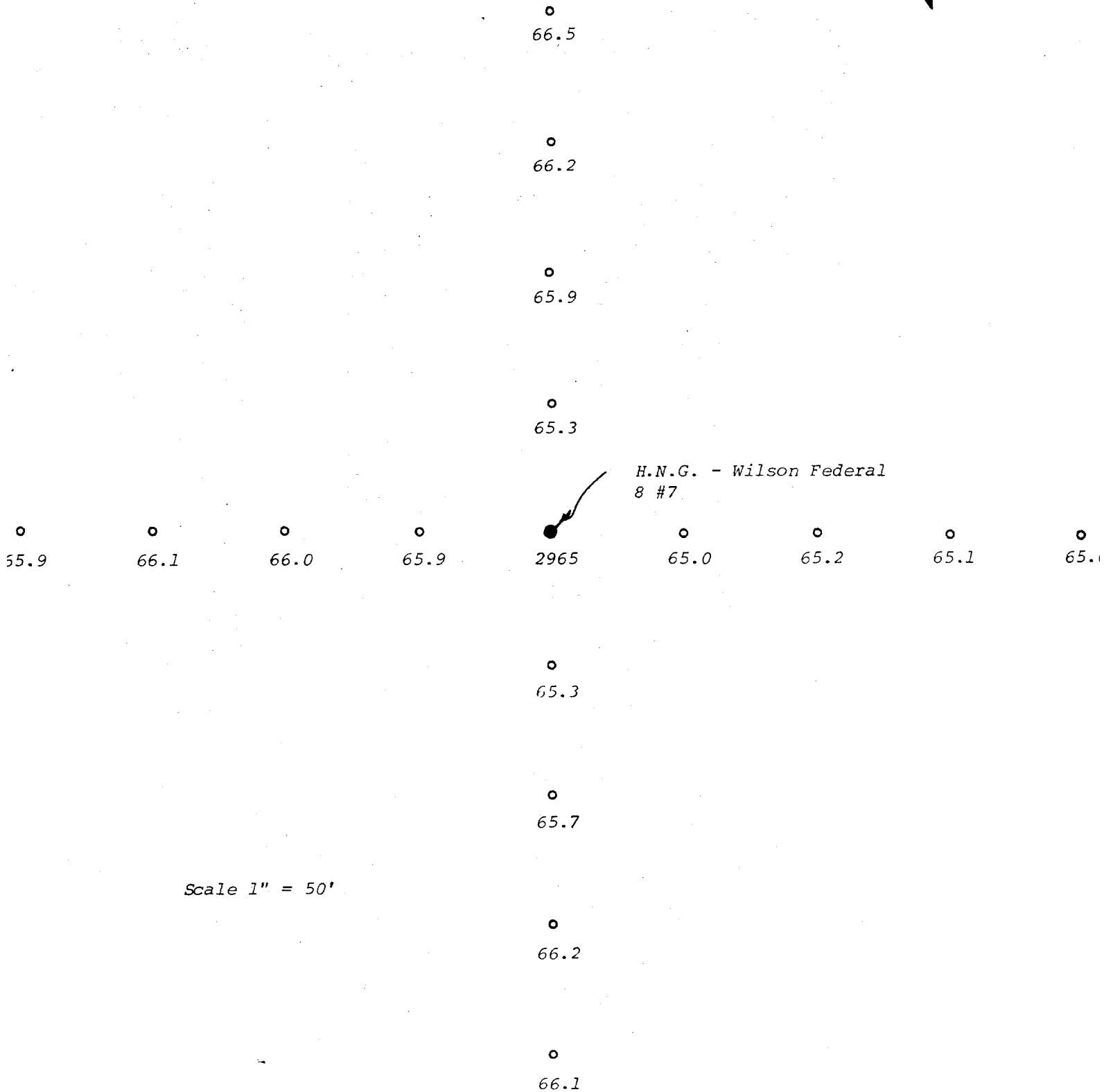
Registered Professional Engineer
and/or Land Surveyor

Gary D. Boswell

Certificate No. 6689

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

Cross Section of the H.N.G. Oil Company
Wilson Federal 8 #7. 853' FSL & 1787'
FEL. Section 8, T-26-S, R-36-E, Lea
County, New Mexico



Topographic Land Surveyors
908 W. Wall
Midland, Texas 79701
615-682-1652

MULTI-POINT SURFACE USE AND OPERATION PLAN
HNG OIL COMPANY
Wilson 8 Federal Sec. 8-26S-36E
Lea County, New Mexico
Lease New Mexico 18644

#1	1980' FNL & 660' FEL	5=	2140' FSL & 1787' FEL
#2	1980' FNL & 1980' FEL	6=	660' FNL & 1980' FEL
#3	1980' FSL & 660' FEL	7=	653' FSL & 1787' FEL
#4	660' FNL & 660' FEL		

This plan is submitted with the Application for Permit to Drill the above described wells. The purpose of the plan is to describe the location of the proposed wells, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS:

- A. Exhibit "A" depicts the location of the proposed wells as staked. Upon entering Jal, New Mexico, proceed south on No. 3rd from Hwy. 128 approximately 3 miles where NM 205, an improved road begins. Approximately 1 mile southwest, turn right on first road past gravel pit 1.7 miles, left on road by ranch thru two cattleguards 1.3 miles to #1.
- B. Portions of the existing lease road will have minor repairs to upgrade the road. Repairs will consist of replacing the eroded caliche surface with a new caliche surface 6 inches deep and 12 feet wide, watered and compacted.

2. PLANNED ACCESS ROADS:

- A. Length and width: Access road required will be 12 feet wide and 1800 feet on #3 & 4. This new road is labled and color coded green (Exhibit B). The center line of the proposed new road from the beginning to the wells, has been staked and flagged with the stakes being visible from any one to the next.
- B. Surfacing Material: Six inches of caliche, water compacted, and graded.
- C. Maximum Grade: 3 percent.
- D. Turnouts: One passing turnout will be constructed approximately 580 feet west of well #3. All existing roads have turnouts.
- E. Drainage Design: New road will have a drop of 6 inches from center line on each side.

F. Culverts: None required.

G. Cuts and Fills: None required.

H. Gates, Cattleguards: One cattleguard will be installed in fence dividing section lines. Location is marked with X on exhibit "B".

3. LOCATION OF EXISTING WELLS:

A. Existing wells within a one-mile radius are shown on Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. There are no existing production facilities.

B. If production is encountered, a temporary facility will be established on the southwest corner of the drill pad on #3 well, and if warranted, a central battery at a later date built at that location. The flow-lines if laid would pass under roads in route to the facility thus requiring conduit installation when needed.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water for drilling will be purchased from commercial sources and transported by truck to the wellsites over the existing and proposed roads shown on Exhibits "A" and "B".

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Caliche for surfacing the road and the well pads will be obtained from commercial sources and transported by truck to the various sites.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill cuttings will be disposed of in the drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.

C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.

D. Current laws and regulations pertaining to the disposal of human waste will be complied with.

E. Trash, waste paper, garbage, and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind. Location of the trash pit is shown on Exhibit "C".

F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

A. None required.

9. WELLSITE LAYOUT:

A. Exhibit "C" shows the relative location and dimensions of the wellpad, mud pits, reserve pit, trash pit, and location of major rig components.

B. Only minor levelling of the wellsite will be required. No significant cuts and fills will be necessary.

C. The reserve pit will be plastic lined.

D. The pad and pit area has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. After completion of drilling and/or completion operations all equipment and other material not needed for operations will be removed. Pits will be filled and location cleaned of all trash and junk to leave the wellsite in an aesthetically pleasing condition as possible.

B. Any unguarded pits containing fluids will be fenced until they are filled.

C. After abandonment of the wells, surface restoration will be in accordance with the agreement with the surface owner. Pits will be filled and location will be cleaned. The pit area, and well pads will be ripped to promote revegetation. Access roads will remain as per agreement with the surface owner.

11. OTHER INFORMATION:

A. Topography: Land surface is undulatory and duny, sloping gently toward the south at about 20 feet per mile.

B. Soil: Soil is a deep fine sand underlain by caliche.

C. Flora and Fauna: The vegetative cover is moderate and is primarily shinnery with some perenial native range grasses. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles and some birds.

D. Ponds and Streams: There are no rivers, streams, lakes or ponds in the area.

E. Residences and Other Structures: None. The nearest water well is approximately 1.8 miles east of #1.

F. Archeological, Historical and Cultural Sites: None observed in the area.

G. Land Use: Grazing and hunting in season.

H. Surface Ownership: The surface area of both the access road and drill sites are privately owned by Mr. Frank Anthony, Monahans, Texas 79756.

12. OPERATOR'S REPRESENTATIVE:

The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

Mr. Phil Stinson
4016 East Everglade
Odessa, Texas 79760

Phone: Business 1/915/683-4871
Home: 1/915/362-6240

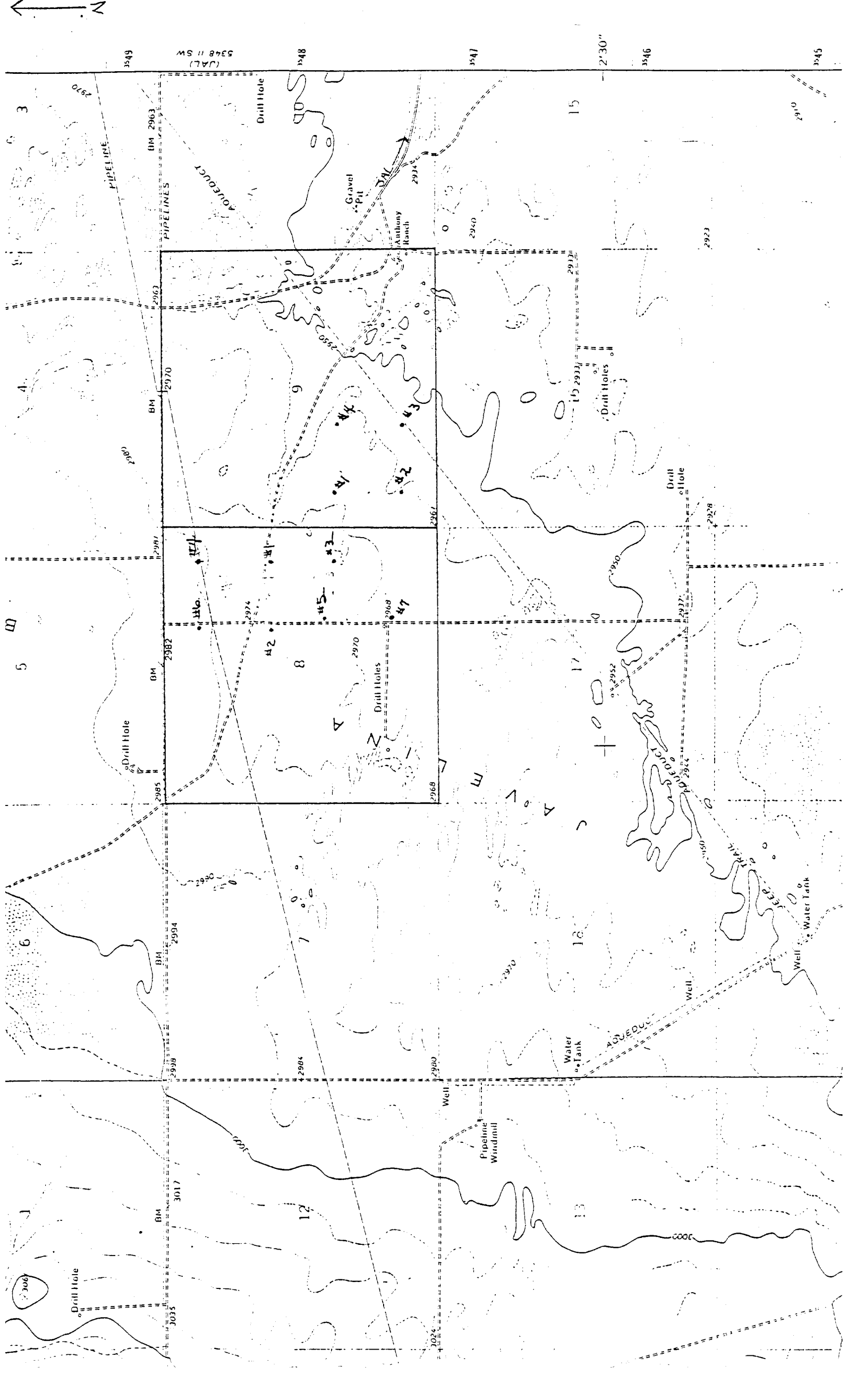
13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; and I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; and, that the work associated with the operations proposed herein will be performed by HNG Oil Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

Jan 23, 1979
DATE

W. L. Lorette
W. L. Lorette

Vice-President of Operations



1. (A) Pressure control equipment to be used.

Double BOP & choke manifold.
Rotating preventer.

-
- (B) Pressure ratings (or API series).

3000# or 900 series

-
-
- (C) Testing procedures and frequency.

Test w/plug in wellhead
@ installation as surface casing point.

-
-
-
- (D) Schematic Diagram.

2. Mud Program

Type and Characteristics

Fresh water 89 - 92 35 vis no water loss in surface hole.

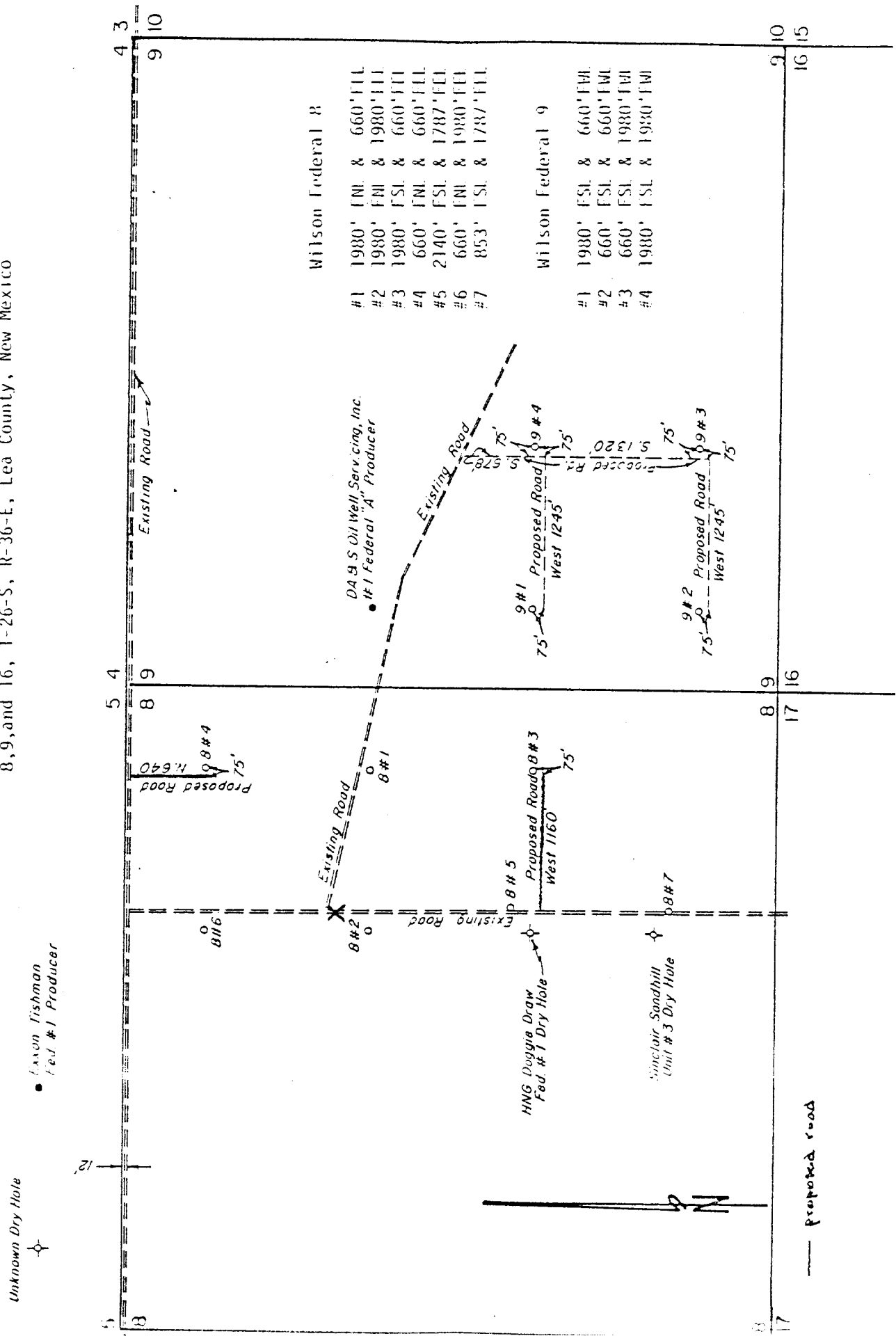
Salt water 9.7 - 10.2 35 vis 20cc water loss under surface.

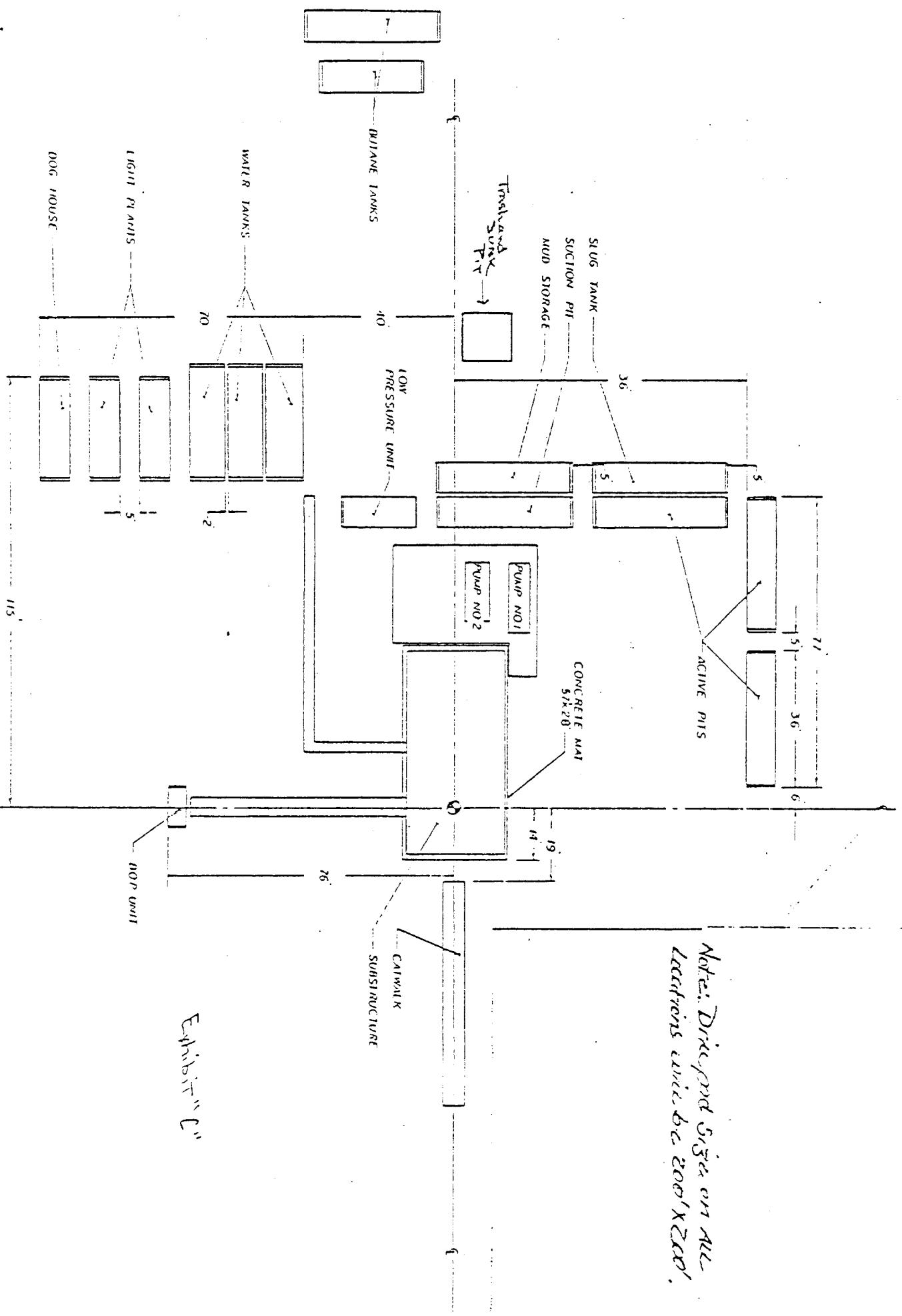
Quantities and types of weighting material to be maintained

200 sx Barite.

Exhibit "B"

Plat showing proposed roads and relation H. N. G. Oil Company
Wilson Federal 8 #1,2,3,4,5,6,7, and Wilson Federal 9 #1,2,
3 and 4, well to all producing, abandoned wells in Section 5,
8,9, and 16, T-26-S, R-36-E, Lea County, New Mexico

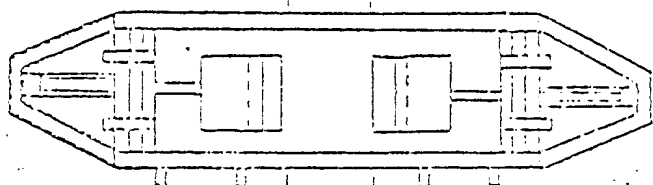




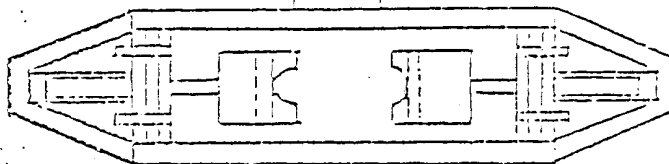
Note: Drive pad 5' x 5' on all locations unless 200' x 200'.

Exhibit "C"

Fillup Line

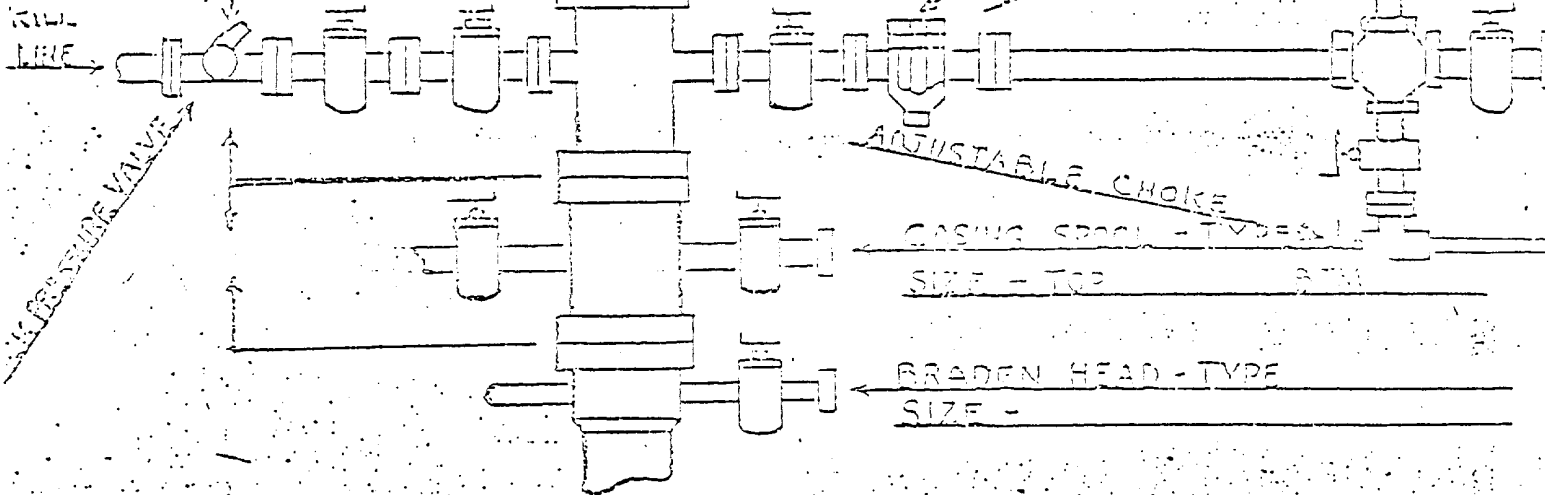


- RODS W/ BLIND



- RODS W/ PIPE RAM

PRESS. OPD VALVE
ADJUSTABLE CHOKE



Sec. "8"

APPLICATION FOR PERMIT TO DRILL

1. The geologic surface formation is Quaternary.

2. The estimated tops of important geologic markers are:

1. <u>Anhydrite</u>	<u>2340</u>	6. _____
2. <u>Yates</u>	<u>3170</u>	7. _____
3. _____		8. _____
4. _____		9. _____
5. _____		10. _____

3. Depths at which oil, water, or gas bearing formations are expected to be encountered.

3170 - oil

4. Brief description of testing, logging, and coring programs.

Run casing for production test. No cores open hole logs:
GR - porosity & a resistivity log.

5. Any anticipated abnormal pressures or temperatures expected? Any potential hazards - H₂S?

No abnormal press.
No H₂S hazards.